



USAID
FROM THE AMERICAN PEOPLE

IRAQ

IRAQ ADMINISTRATIVE REFORM PROJECT - *TARABOT* QUARTERLY REPORT I JULY – 30 SEPTEMBER, 2011

FIRST QUARTER – 2011

This publication was produced for review by the United States Agency for International Development. It was prepared by Management Systems International.

IRAQ ADMINISTRATIVE REFORM PROJECT - *TARABOT* QUARTERLY REPORT JULY 1 – SEPTEMBER 30, 2011

Contracted: AID-267-C-11-0005
Iraq Administrative Reform Project



600 Water Street, SW, Washington, DC 20024, USA
Tel: +1.202.484.7170 | Fax: +1.202.488.0754
www.msiworldwide.com

Please do not circulate this report without due consideration of security issues in Iraq.

DISCLAIMER

The author's views expressed in this publication do not necessarily reflect the views of the US Agency for International Development or the United States Government.

TABLE OF CONTENTS

Executive Summary	4
Component 1: Civil Service Reform	6
Component 2: National Policy Management	6
Component 3: Administrative Decentralization	8
Administration	9

ACRONYMS

AD	Administrative Decentralization
COMSec	Council of Ministers' Secretariat
CSR	Civil Service Reform
DFID	Department for International Development
DPMO-S	Deputy Prime Minister's Office for Services
FCSC	Federal Civil Service Commission
GoI	Government of Iraq
HC	High Committee (for Civil Service Reform)
HRD	Human Resources Development
HRMIS	Human Resources Management Information System
MoC	Ministry of Culture
MoEd	Ministry of Education
MoEn	Ministry of Environment
MoF	Ministry of Finance
MoHR	Ministry of Human Rights
MoJ	Ministry of Justice
MoLSA	Ministry of Labor and Social Affairs
MoMD	Ministry of Migrants and Displaced
MoMPW	Ministry of Municipalities and Public Works
MoP	Ministry of Planning
MSI	Management Systems International
NGO	Non Governmental Organization
NPM	National Policy Management
PMAC	Prime Minister's Advisory Council
PMO	Prime Minister's Office
PMP	Performance Management Plan
RG	Regulatory Guillotine™
SES	Senior Executive Service
SoW	Scope of Work
SSN	Social Safety Net
UNDP	United Nations Development Program
USAID	United States Agency for International Development
USG	United States Government
WB	World Bank

EXECUTIVE SUMMARY

This report summarizes project activities and accomplishments under the Iraq Administrative Reform Project (USAID/Tarabot¹) for the period July 1 - September 30, 2011. USAID established the Iraq Administrative Reform project with the goal of providing the Government of Iraq (GoI) with support for strengthening public management institutions and improving service delivery processes. Arabic for 'linkages,' Tarabot supports reform in three key areas: Civil Service, National Policy Management, and Administrative Decentralization.

USAID/Tarabot succeeded in meeting the implementation, mobilization, and counterpart engagement requirements during this quarter. Well before the 90 day mark, the project was operational in terms of personnel, facilities, systems, and logistics. Much of this success derived from the fact that this project followed upon an MSI predecessor project and was therefore able to transfer many assets directly in support of the new operations. In this regard the project was able to avoid the main constraints that often delay start-up in Iraq – lack of secure facilities and life support, inadequate access to secure transportation, delays in credentialing (badges), and visa problems.

One of USAID/Tarabot's key activities for the quarter was drafting the project work plan. The team reviewed the deliverables and the SOW contained in the project contract as well as the draft strategic results framework and results indicators prepared as part of MSI's proposal submission. Each component is responsible for its own workplan, within the framework of USAID's approach to "results-based management." Following brain storming sessions with each component team, initial templates were devised that adequately encapsulate the expansive mandate of the project from the outset.

The Performance Management Advisor arrived in country in mid August but the deployment of the Monitoring and Evaluation Team Leader was delayed until later in the month. Once in country, work on the Performance Management Plan (PMP) began and USAID/Tarabot submitted the drafts of its Year 1 Workplan and the PMP to USAID in September. Both are currently being reviewed and are expected to be in place early next quarter.

Other important administrative deliverables achieved this quarter include:

- Development of a systematic deployment process for fielding expatriate staff. By the end of the quarter, twenty three expats had been deployed.
- Development of Local Compensation Plan for recruitment of local staff in accordance with USAID regulations. To date, ninety-nine local staff have begun work.
- Agreement from key Iraqi ministries to provide office space for Tarabot staff. These ministries include the Ministry of Planning, Ministry of Municipalities and Public Works, Ministry of Labor and Social Affairs, Ministry of Human Rights, and Ministry of Migrants and Displaced.
- Establishment and staffing of regional hub offices in Baghdad, Babil, Basrah and Kirkuk.
- Establishment and staffing of provincial offices in either governor's offices or ministry directorates.
- Concluded subcontracting agreements with all six subcontracting partners to provide logistical, technical and administrative support for USAID/Tarabot's deliverables and operations.
- Designed business systems to provide precise reporting and project tracking for the duration of USAID/Tarabot that will ensure full accountability.
- Developed a deliverable based fee schedule.
- Developed a Crisis Management Team to ensure effective and rapid communication in an emergency.

With these systems in place and staff on the ground, by the end of the quarter USAID/Tarabot had begun the full sweep of its ambitious agenda from policy development in the Prime Minister's Office to service delivery

1. For brevity and convenience, the Administrative Reform Project is referred to in text by its Arabic name, Tarabot.

improvements in provincial towns. Following Ramadan and the Eid-al-Fitr holiday, USAID/Tarabot rapidly pushed forward in September, introducing the project to a large number of ministries, governor's offices, and other agencies, and in reaching agreements regarding issues such as cost sharing principles and mechanisms, USAID/Tarabot's services, and office space arrangements for the project's "embedded" staff.

USAID/Tarabot's first component, **Civil Service Reform (CSR)**, commenced work collaborating with COMSec's High Committee for Civil Service Reform on the proposed Civil Service Law, to bring it in line with the enacted Federal Civil Service Commission Law. The CSR team also began work on another of its priority areas, the restructuring and strengthening of human resources management in GoI ministries, provinces, and other government agencies.

The highlight this quarter for the project's second component, **National Policy Management (NPM)**, was a very successful two-week whirlwind tour of key public and private sector stakeholders regarding the implementation of the regulatory reform approach known as the "Regulatory Guillotine™". This initial set of meetings immediately established regulatory reform as a flagship program for the Tarabot project and for USAID.

USAID/Tarabot's third component, **Administrative Decentralization (AD)**, paved the way for productive future partnerships with ministries and agencies in Baghdad and fifteen provinces. By the end of September, three of the four regional support offices had received approval to begin activities, thirteen provincial offices were in the process of being prepared and becoming operational.

In preparation for introducing the project to the ministers and the governor's offices, USAID/Tarabot AD advisors assembled and packaged "menus of assistance" offered by the project. These menus summarize the capabilities of the Tarabot teams in an easy-to-read format for presentation to ministers, governors, and other GoI officials. Technical assistance will be offered in the fields of service delivery, fiscal management, procurement, automation, and process analysis. Most of the services presented on the Tarabot "menus" are dedicated to enhancing provincial level and citizen level service delivery.

With all systems now in place and technical assistance begun, USAID/Tarabot looks forward to fully engaging its activities in the coming months.

COMPONENT 1: CIVIL SERVICE REFORM

COMSec's High Committee for Civil Service Reform. Preliminary meetings between the USAID/Tarabot Civil Service Reform (CSR) team and members of COMSec's High Committee (HC) for Civil Service Reform took place in August. This expanded committee includes representatives from the Shura Council, the Ministry of Finance, and the Prime Minister's Advisory Council, as well as the Tarabot CSR Team Leader. The Committee will continue its mandate and coordinate with the Public Sector Modernization Committee in accordance with Executive Order #31455 of June 12, 2011.

The first priority of the HC was to complete the revisions to the draft Civil Service Reform bill in order to submit it for action to the Council of Representatives. To expedite this, the committee agreed to meet twice a week instead of its usual weekly meetings. The revisions include those that bring the proposed civil service law in line with the already enacted Federal Civil Service Commission Law, other changes resulting from the broad stakeholder review, and language that would establish a Senior Executive Service (SES). It is understood that within the Public Sector Modernization Committee's program, UNDP will take the lead in developing the SES. However the HC insisted on moving forward on schedule with drafting the enabling language as part of the Civil Service Law. The assumption is that the draft law will be reviewed by the UNDP-supported SES program.

Federal Civil Service Commission (FCSC). Much of the progress of USAID/Tarabot's assistance depends on the de facto establishment of the FCSC through the appointment of the Commissioners. In discussions with the government in September it appeared that these long-stalled appointments were currently being discussed and moving forward. These appointments will also pave the way for establishing the Civil Service Institute and the Provincial Civil Service Commissions, in addition to developing the federal commission itself.

Human Resources Management. Another continuing priority of the HC is the restructuring and strengthening of human resources management in the ministries, provinces, and other government agencies. This quarter, USAID/Tarabot's CSR team developed workshop materials in support of the next round of national Human Resources Development (HRD) workshops for ministries and for governorates. In addition to reaching all ministries and provinces through regular workshops, the HC approved the expansion of the HRD "pilot" ministries from five to ten, plus three pilot provinces/governors' offices. USAID/Tarabot also began the process of renewing its earlier contacts with the pilot ministries, beginning with the Ministry of Agriculture.

Human Resources Management Information System (HRMIS). The CSR team met with the Government of Iraq's HRMIS Committee in September. The Ministry of Defense's Director General of Human Resources provided a detailed presentation of its positive experience with the HRMIS system installed in the Ministry with the assistance of the US government Department of Defense. Based on this success, the HRMIS Committee will now replicate and adapt this system nationwide. The government, at the highest levels, is committed to the establishment of the national HRMIS, and is expecting technical assistance from USAID/Tarabot to help it achieve this goal. To that end, the HRMIS committee will now function as a sub-committee of the HC, and the Tarabot CSR team leader will sit on this sub-committee.

COMPONENT 2: NATIONAL POLICY MANAGEMENT

Policy Development. With a critically important element of the proposed Policy Development Office being its broad consultative approach, this quarter USAID/Tarabot's NPM team worked with a wide range of stakeholders and potential stakeholders in the policy development and regulatory reform processes. These meetings took place with a range of executive offices, ministries and NGOs representing women's issues, business leaders and professional associations. These meetings, and those held previously, laid the foundations of the network required to establish the broad consultative process that is the hallmark of effective policy development. Examples from this quarter include:

Executive Offices. In late August, meetings were held with the Chief of Staff of the Prime Minister's Office (PMO), the Office of the deputy PM for Services, and the Presidency Diwan. The NPM Team met with the Chief of Staff of the Presidency Diwan to discuss the existing Bureau of Public Policy that serves the President of the Republic. The discussion centered on the hiring of senior advisors, their qualifications and the areas of expertise including economic, social affairs, energy, services, and national and foreign affairs.

The Chief of Staff stated that the PM was taking a strong interest in USAID Tarabot's efforts and wished to establish an Office of Public Policy in conformance with Article 78 of the Constitution. Further meetings were held in September, with the PMO agreeing to situate the Policy Development Office inside the Prime Minister's Office, utilizing the expertise already residing in the Prime Minister's Advisory Council. Both the PMO and USAID moved quickly on mutually-approved drafts of a Memorandum of Understanding to formalize this important development, with a view to establishing the office in October.

In September, the NPM Team reached out to the Office of the Deputy Prime Minister for Services (DPMO-S) to discuss how they would contribute to the policy development process and support the regulatory reform process. The Team also met with the Presidency Diwan where the Chief of Staff agreed to personally participate in the Policy Workshop at Al-Nahrain University and to integrate professors from the university into the work of the Presidency Diwan's existing Bureau of Public Policy already established with USAID's assistance and by government decree in 2010.

Ministries. In August, the NPM team paid a call on the Ministry of State for Provincial Affairs, an important stakeholder in Tarabot's NPM component activities. The minister was eager to be part of Tarabot's activities and suggested holding, in due course, a roundtable on public policy and the Regulatory Guillotine with 5 governorates. He listed Kirkuk, Ninewa, Basrah, Babil and Maysan, as a start.

In August, the USAID/Tarabot project was also introduced to the Ministry of Women's Affairs whose team stressed the importance of considering the impact of policies and laws on women. The NPM team also met with the Minister of Industry and Minerals to present the outlines of the USAID/Tarabot project.

Throughout September, the team continued to meet with key ministries and governorates, discussing the establishment of their own policy development units in order to contribute to the national process of policy development.

NGOs. In August, the team met with the Iraqi Al-Amal Association, an NGO with chapters in Baghdad, Kirkuk, Karbala, Najaf, Basra and Mosul. Al-Amal is dedicated to promoting human rights and enhancing women's conditions in education, business, industries, health and government. Another meeting was held with the Iraqi Businessmen Union, an important stakeholder in economic policy and legal reform. IBU members represent several sectors including industries, hotel, tourism and banking.

Universities. In August, the NPM Team met with the Administration of the University of Baghdad to explain the Tarabot components and discuss the participation of the university as a significant stakeholder in the process of policy development and the Regulatory Guillotine program. The team continued its introductory outreach to the Iraqi academic community later in the month with a meeting with the President of Al Nahrain University and his senior colleagues.

The USAID/Tarabot NPM team delivered a day-long workshop on policy development systems at Al-Nahrain University in September, to enable them to better assist in future policy development activities. The university is also now planning to introduce a permanent program in public policy.

Legislature. A meeting with the Economic Investment Committee of the Council of Representatives in September raised interest in establishing a policy office in the Council to liaise with the new Office of Public Policy of the executive branch.

Private Sector. The National Policy Management team’s Senior Advisor for women’s issues met with the Iraqi Business Women’s Association to alert them to the possibilities of their enhanced participation in both the future policy development process and the regulatory reform mechanism.

Government Agencies. The NPM Team presented an introduction on USAID/Tarabot to the Chairman of the Iraq National Investment Commission in August. The Chairman, who is also a member of the PM’s Economic Committee, welcomed the chance to collaborate with the project.

Regulatory Reform. The critical area of regulatory reform was a major focus of the project this quarter. USAID/Tarabot’s senior consultant on regulatory reform, Mr. Scott Jacobs arrived in September for his first assignment with the purpose of introducing the “Regulatory Guillotine™” (RG) approach, developed by Mr. Jacobs and others over a decade’s work on the topic.

During his two-week visit, Mr. Jacobs and the NPM team introduced methodology to all of the key stakeholders including the GoI Executive Offices, the Council of Ministers, the Council of Representatives, high officials from key line ministries and from governors’ offices, private sector and academic institutions, as well as USAID, US Embassy, and other donors. Mr. Jacobs has successfully introduced this method of systematically eliminating outdated laws and regulations in a number of countries including Ukraine, Egypt, Romania, and Vietnam where as many as 50% of the existing business unfriendly regulations were eliminated yielding significant savings to the national economies.

The response on the part of the Government of Iraq to the RG was overwhelmingly positive. One highlight of the many meetings held during Mr. Jacobs visit was the meeting with representatives of the private sector who offered to assist the program by serving on the non-governmental review committee. Equally important, the Prime Minister sponsored a conference, hosted by Al-Nahrain University, for the deputy ministers of the leading economic ministries to become fully informed and engaged in the process. In addition to building support among the full range of stakeholders, the meetings led to important decisions regarding the institutional location of the RG program, the commitment of the Economic Committee of the Council of Representatives and the Minister of State for Parliamentary Affairs to consider the reform recommendations as part of an omnibus law rather than individually.

There is now widespread agreement that Iraq will move forward with this approach to regulatory reform and that it will have a positive and noticeable impact on the Iraqi economy.

Donor Coordination. USAID and the USAID/Tarabot project leadership met with the World Bank and the UK Department for International Development this quarter to discuss areas of coordination. It was agreed that DFID continue its support of a policy implementation coordination unit within COMSec, and that this function of policy coordination be appropriately located in COMSec whereas the policy development function is appropriately located with the Prime Minister’s Office. The World Bank representative praised the introduction of the RG method and views this as fully complementary to the Bank’s program on improving Iraq’s “Doing Business” indicators.



Scott Jacobs introduces his “Regulatory Guillotine™” approach during his visit in September.

COMPONENT 3: ADMINISTRATIVE DECENTRALIZATION

Partner Ministries. In September, the AD team began the formal process of introducing the project to key ministries through presentations and planning initial programs of assistance. The team held presentation meetings with nine ministries: Planning (MoP), Finance (MoF), Labor and Social Affairs (MoLSA), Municipalities and Public Works (MoPW), Education (MoEd), Environment (MoEn), Justice (MoJ), Human Rights (MoHR), and Culture

(MoC). The response from ministry leadership was enthusiastic with ministry officials agreeing with the principles of cost-sharing.

Cost-Sharing. To date, four key partner ministries (MoLSA, MoP, MoHR, and the Ministry of Migrants and Displaced) have provided office space for USAID/Tarabot's embedded advisors. This quarter, the AD team continued to establish formal agreements covering scopes of work, assistance, and cost-sharing activities with all GoI partners. The final agreements regarding the services to be provided for each ministry will be a product of several factors including the priorities of the Government of Iraq and the resources available among all parties. These agreements will be formalized with Letters of Understanding between USAID and the participating Iraqi ministries, offices, or agencies, and establish the cost sharing responsibilities of both parties.

Executive Offices. The AD team made formal presentations to both the Council of Ministries Secretariat (COMSec) and to the Prime Minister's Advisory Council (PMAC). USAID/Tarabot is assisting COMSec in the utilization of the Iraq Development Management System in the Secretariat's quarterly reporting on national capital investments progress. The project and the PMAC agreed on the process of determining the programs of support to the ministries and the provinces, while both COMSec and PMAC committed to supporting USAID/Tarabot's work towards furthering administrative decentralization.

Social Safety Net: Ministry of Labor and Social Affairs (MoLSA). Technical work on the rollout of automation of the provincial Social Safety Net (SSN) service centers continued throughout September. At the end of the month, the SSN team issued the payment distribution report its work in the Baghdad, outlining the number of beneficiaries, the value of the allocated benefits, and their distribution through the SSN's three sites at Sadr City, Rusafa, and Karkh.

A draft Letter of Understanding of USAID/Tarabot's support to the MoLSA's rollout the Social Safety Net was reviewed and approved by both sides this quarter.

Assessment Tools. During this reporting period, USAID/Tarabot's AD core area teams designed comprehensive assessment tools for their respective fields. These tools will give the AD advisors a solid foundation and steer their work with GoI counterparts for the coming years. The assessment tools are in the form of questionnaires, and represent the next step for developing and undertaking their corresponding programs of technical assistance. Assessment tools were also developed for procurement, project management, fiscal management, service centers, and organizational development.

ADMINISTRATION

Workplan. A key activity undertaken this quarter was initiating the USAID/Tarabot work plan. Advisors reviewed the deliverables and the SOW contained in the project contract as well as the draft strategic results framework and results indicators prepared as part of MSI's proposal submission. Each component is responsible for its own workplan, within the framework of USAID's approach to "results-based management." Following brain storming sessions with each component team, initial templates were devised that adequately encapsulate the expansive mandate of the project from the outset.

The Performance Management Advisor arrived in country in mid August but the deployment of the M and E Team Leader was delayed until later in the month. Once in country, work on the Performance Management Plan (PMP) began and USAID/Tarabot submitted the drafts of its Year 1 Workplan and the PMP to USAID in September. Both are currently being reviewed and are expected to be in place early next quarter.

Staffing and Deployment. Recruiting and contracting guidelines were clarified during discussions between MSI and USAID this quarter. By the end of September, 23 expatriates had been deployed and in residence on the compound. A critical mass of 99 local staff had signed contracts and reported for work.

Facilities. Housing and office facilities were all fully functional by the end of September, following a series of refurbishments and realignments in line with the requirements of the project. USAID/Tarabot also established a facility in the IZ to allow advisors to spend several nights a week there and avoid some of the current uncertainties of the checkpoints into the IZ. This enables much closer work with key partners such as the Prime Minister's Office, the High Committee for Civil Service Reform, and the Council of Minister's Secretariat. This capacity is especially important for the implementation of the Regulatory Reform program and Civil Service Reform.

Security. The checkpoints into (and even out of) the IZ are currently instituting a policy of thorough searches for PSC vehicles. Trips to meetings in the IZ now regularly take between 60 and 90 minutes. Frequently the trips are blocked entirely, causing the last minute cancellation of important meetings with USAID and/or high Government of Iraq officials.

Vehicles. Project staff continue to coordinate closely with USG offices on the release of two armored vehicles from customs.

Finance. In August, a new account was opened at Baghdad Bank for Tarabot transactions. The Budget tracker was initiated in August and is now in use, providing ongoing budget status reports.

Badges. USAID/Tarabot secured approval from the US military for sponsorship of USFI badges for Tarabot and Sallyport PSDs. This will facilitate entry of project vehicles and personnel onto the few remaining military bases for APO, medical emergencies and other purposes.

Regional and provincial offices. USAID/Tarabot provincial activities operate out of four primary 'Hubs'. Each Hub will house sixteen Tarabot staff, and the provincial offices will each accommodate three staff. With the program operating from fifteen provinces, during this period Senior Tarabot Provincial Advisors introduced USAID/Tarabot to twelve of the fifteen provinces, and secured buy-in from all provinces receiving an introduction. By the end of this quarter, three of the four Hubs received approval to begin activities and thirteen offices were in the process of being prepared, and becoming operational.

The team presented an introduction to Tarabot to the Minister for State Provincial Affairs in September. The meeting was a resounding success with the Minister offering his unequivocal support to the program, and anticipating collaboration with USAID/Tarabot for improving provincial service delivery as soon as possible.



Introducing USAID/Tarabot to Gol officials in Basrah.